



**STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR**

**JOSH STEIN
GOVERNOR**

September 30, 2026

The Honorable McKinley Wooten
Secretary of Revenue
North Carolina Department of Revenue
PO Box 25000
Raleigh, NC 27640-0640

Dear Secretary Wooten,

North Carolinians across our state are experiencing significant hardship due to rising costs for their everyday needs, including groceries. The recent rise in diesel fuel prices has hit already struggling farmers particularly hard. With this letter, therefore, I am requesting that you direct the Department of Revenue and its designated agents to temporarily provide penalty relief regarding the prohibition on highway use of dyed diesel fuel for relevant motor vehicles through December 31, 2026. I have written to the Internal Revenue Service to request federal penalty relief for the highway use of dyed diesel fuel in accordance with IRM 25.16.1.5.

This month, diesel prices have reached record highs, with the price per gallon reaching \$6.25 in North Carolina. Furthermore, according to the US Energy Information Administration, domestic inventories of diesel this month reached the lowest level since recordkeeping began, with only 107.9 million barrels on hand. These high prices present significant hardship for our state's farmers as they begin conducting the fall harvesting operations that are critical to ensuring North Carolina's farm goods reach markets abroad and our own tables here at home. Since many agricultural producers have stores of non-taxed dyed diesel fuel on hand for off-road use, suspending enforcement of this prohibition will provide farmers relief during the harvest, the most fuel-intensive component of agricultural production.

Agriculture is our state's biggest industry, employing one out of every five North Carolinians and generating \$117 billion in annual economic activity. In addition to historically high diesel prices, farmers are also facing higher costs for fertilizer and other inputs, lost markets from tariffs, drought conditions and crop loss in much of the state, and, for those out west, the challenges of recovering from Hurricane Helene. Our farmers need our support amid these challenging times. And North Carolina's families need relief from rising grocery prices. This penalty waiver would provide much-needed relief to farmers, help

reduce the upward prices on the cost of food at grocery stores, and allow the Department of Revenue to direct additional resources to other critical work needed to fund the public services that benefit North Carolinians.

Best regards,

A handwritten signature in black ink, reading "Josh Stein". The signature is fluid and cursive, with the first name "Josh" and last name "Stein" clearly legible.

Josh Stein
Governor